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SURPLUS MYTH HENRY CLAIMS DURING DEBATE

Piling Up Surpluses Wrong in Principle, Legislature Statement

The \$2,000,000 net surplus recently announced by the Ontario Government in its Budget "never existed," George S. Henry, Progressive Conservative member for East York and one-time Conservative Premier, declared in the Legislature last night in an attack on the principle of "piling up surpluses."

"It is not the function of the Government to close the year with a surplus," he said. "Piling up a surplus is all wrong. A municipality should collect revenue to pay for its needs and no more. A Government should do the same thing."

The Government had reported a \$10,000,000 surplus and a payment of \$3,800,000 to reduction of Provincial debt. "Where did the other six million go?" Mr. Henry demanded. "Gone with the wind. In fact I don't believe it ever existed except under the able manipulation of Chester Walters (Provincial Comptroller of Revenue)."

Mr. Henry attacked the Government's liquor policy, asserting that the 25 cent permit afforded bootleggers a "glorious holiday."

Sharply criticizing the Ontario Liquor Control Board for not carrying out the spirit of liquor-law enforcement, Mr. Henry declared that if his party were returned to power "one of our first efforts will be a new set of regulations to properly control the liquor situation."

Administrative Body.

"As a sequel to investigations carried on by The Globe and Mail into conditions in beverage rooms in a certain part of Toronto," Mr. Henry said, "the liquor controller had said 'the Liquor Board was an administrative body and not responsible for liquor-law enforcement.'" Mr. Henry insisted that under Section 70 of the Revised Statutes of Ontario, the board was responsible for enforcement.

"Furthermore," he said, "the Prime Minister has acted and shown that it is the Government's responsibility. Two years ago, we tried to prod the then Attorney-General into acting against gambling in the suburbs of Toronto. He said it was not his responsibility. A year ago, he went through some form of amendment to the Statute to save his face and sent out a vice squad. After The Globe and Mail investigated, it has now been found necessary to have a liquor squad. And speaking, he said, not as a temperance man, he felt 'happy are we that we have got to a stage in the war where Ottawa has had to act in regard to liquor in Ontario.'"

Defending the Ontario Government's \$1 a ton iron ore bounty, W. L. Miller (Lib., Algoma-Manitoulin) estimated that Canada pays the United States approximately \$200,000,000 for iron and steel in various forms and said: "It is incumbent upon the Canadian people to rid ourselves of this serious handicap to the fullest development of an important and vital industry." Stimulus given the industry already by the bounty was proof of its value.

"During the past two years many of the important munition works have been closed because of the lack of steel," he said.